INSTRUCTIONS AND BACKGROUND FOR COMPLETING THE ANNUAL MEDICARE SECONDARY PAYER (MSP) EMPLOYER ACKNOWLEDGEMENT FORM

Medicare Secondary Payer (MSP) is the payment principle that notes conditions and situations under which Medicare should pay as secondary to some other entity (such as the OSMA Health Plan) for health services. Employers having fewer than 20 full and/or part-time employees, who participate in a multi-employer group health plan, may be granted an exception with respect to certain individuals entitled to Medicare on the basis of age and who are covered on the group health plan as a named participant or spouse (covered individual) under the Small Employer Exception (SEE) rules. In order for an MSP Small Employer Exception to exist, the multi-employer group health plan must request and CMS must approve the requested exception to the Working-Aged MSP rules.

When an individual is covered by both Medicare and an employer's group health plan, MSP rules specify that the employer's total size, not group health plan enrollment size, is the factor in determining whether Medicare benefits are primary or secondary. For MSP purposes, the employer is the legal entity that employs the employees. For example, the employer may be an individual, a partnership, or a corporation. In some situations, it may not be clear which corporation or individual is the employer for MSP purposes. In these cases, employers must use Internal Revenue Service aggregation rules provided in the Internal Revenue Code [IRC 26 U.S.C. Sections 52(a), 52(b), 414(n) (2)]. In general, these rules specify that single employers include

- all employees of all corporations that are members of the ***same controlled group of corporations***, and
- all employees of trades or business (whether incorporated or not), e.g., employees of partnerships, LLCs, proprietorships that are ***under common control***.

Under the MSP "working aged" rule, Medicare is secondary to the employer's group health plan if the employer's size equals 20 or more employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year. This also applies to multi-employer group health plans in which at least one employer employs 20 or more employees. Employees counted in the 20-or-more employer size include the total number of ***nationwide full-time employees, part-time employees, seasonal employees, and partners*** who work or who are expected to report for work on a particular day. Those not counted in the 20-or-more employer size include retirees, COBRA qualified beneficiaries and individuals on other continuation options, and self-employed individuals who participate in the employer's group health plan. In order to apply for the Small Employer Exception, the employer must have fewer than 20 "employees" during the current and preceding calendar year.

Change of employer size can change employer qualification for the Small Employer Exception.

- If the employer's size was below 20 during the preceding year but the size increases to 20 or more during the current year, the employer's group health plan coverage would become primary as soon as the employer has had 20 or more employees on each working day of 20

calendar weeks of the current year. In this scenario, the employer's group health coverage would be primary for the remainder of the current calendar year and during the following calendar year.

- If the employer's size drops below 20 during the current calendar year, the employer's group health plan remains primary for the remainder of the current year and throughout the following calendar year, even though the employer's size has dropped below 20. When this time period is complete, the employer would be eligible to apply for the Small Employer Exception provided that the employer size had remained below 20.

Under federal law, it is the employer's responsibility to annually inform its insurer or third-party administrator of proper employee counts for the purpose of determining payment priority between Medicare and another insurer. In the absence of employer-provided employee counts, CMS requires that the employer's group health plan coverage be considered primary to Medicare. As a participant in the OSMA Health Plan, it is the employer's responsibility to inform the Plan Administrator promptly if the answers to any questions on the Annual Medicare Secondary Payer (MSP) Employer Acknowledgement Form change at any time.

Please complete the ***Employer Acknowledgement Form*****. If your answer to #4 is "NO"**, please also complete the ***Request For Exception Listing*** showing all employees and/or spouses who are covered on the OSMA Health Plan **and** are age 65 or over. **The completed forms should be returned to Member Services at OSMA Health as soon as possible. Please fax the completed forms** to 405-290-5717 or 405-775-5991 and then mail the completed originals to: OSMA Health Attn: Member Services 13439 Broadway Extension Suite 110, Oklahoma City, OK 73114.

OSMA Health
Annual Medicare Secondary Payer (MSP)
Employer Acknowledgement Form

Under federal law, it is the employer's responsibility to inform its insurer or third-party administrator of proper employee counts for the purpose of determining payment priority between Medicare and another insurer/plan. Employer size, not group health plan size, is used in determining whether the group health plan or Medicare is the primary payer. **In the absence of employer-provided employee counts, CMS requires that the employer's group health plan coverage be considered primary to Medicare.**

Please complete this form, sign, date and return to OSMA Health as soon as possible.

Employer Name – Legal Name of Company:		Employer Identification Number (EIN):	
Physical Address (number & street), City, State, ZIP:			
Do you have any affiliates or subsidiaries? ☐ Yes ☐ No If "yes", list name of each:			
Plan Effective Date **(New Groups Only)** _____ month/day/year	Plan Anniversary Date (Renewing Groups Only) _____ month/day/year	Type of Coverage A = medical and hospital	Division Number _____

1. Do you file a separate federal tax return, i.e. not consolidated with another individual or entity?	☐ Yes ☐ No
2. How many employees did all the entities on the tax return have on the payroll (whether full-time, part-time, seasonal, or partners) during the prior calendar year? Enter number of employees in space provided.	_____ (# of employees)
3. Are you part of a multi-employer group health plan? The term "multi-employer group health plan" means any trust, plan, association or any other arrangement made by one or more employers or by employers and unions to offer, contribute to, sponsor, or directly provide health benefits.	☒ Yes ☐ No
4. Did you have 20 or more (full-time, part-time, seasonal, or partners) total employees for each working day in each of 20 or more calendar weeks in the current or preceding year? **Please note: If you answered "No", you must promptly notify the Plan Administrator if your answer changes to "Yes" at any time.**	☐ Yes ☐ No
5. If you are part of a multi-employer group health plan (as defined in #3), did any one employer that is part of the multi-employer group health plan have 20 or more (full-time, part-time, seasonal, or partners) total employees for each working day in each of 20 or more calendar weeks in the current or preceding year? (Answer furnished by the Plan Administrator.)	☒ Yes ☐ No

I understand that OSMA Health is relying on my answer to the above questions to determine whether Medicare will be the primary payer of claims for my Medicare eligible plan participant(s). I certify that the answers are true to the best of my knowledge and belief. I also understand that I am responsible to promptly notify the Plan Administrator, as indicated above, if my answers to the above questions change because we have increased the number of employees.

_____ Signature of company officer or authorized representative

_____ Print Name

_____ Title

_____ Date

This form should only be completed for employees and/or spouses who are covered on the OSMA Health Plan *and* are age 65 or over.**

OSMA Health Plan
Annual Medicare Secondary Payer (MSP)
Request For Exception Listing

Employer Name		Employer Identification Number	Division Number

First Name	Middle Name	Last Name	Date of Birth (MO/DAY/YEAR)
HICN Number (Medicare Number)	Medicare Effective Date: Group Health Plan Effective Date:	Medicare Coverage ☐ Part A Only ☐ Part B Only ☐ Both Part A and Part B	☐ Full- time employee ☐ Part-time employee ☐ Spouse
First Name	Middle Name	Last Name	Date of Birth (MO/DAY/YEAR)
HICN Number (Medicare Number)	Medicare Effective Date Group Health Plan Effective Date:	Medicare Coverage ☐ Part A Only ☐ Part B Only ☐ Both Part A and Part B	☐ Full- time employee ☐ Part-time employee ☐ Spouse
First Name	Middle Name	Last Name	Date of Birth (MO/DAY/YEAR)
HICN Number (Medicare Number)	Medicare Effective Date Group Health Plan Effective Date:	Medicare Coverage ☐ Part A Only ☐ Part B Only ☐ Both Part A and Part B	☐ Full- time employee ☐ Part-time employee ☐ Spouse
First Name		Last Name	Date of Birth (MO/DAY/YEAR)
HICN Number (Medicare Number)	Medicare Effective Date Group Health Plan Effective Date:	Medicare Coverage ☐ Part A Only ☐ Part B Only ☐ Both Part A and Part B	☐ Full- time employee ☐ Part-time employee ☐ Spouse
First Name	Middle Name	Last Name	Date of Birth (MO/DAY/YEAR)
HICN Number (Medicare Number)	Medicare Effective Date Group Health Plan Effective Date:	Medicare Coverage ☐ Part A Only ☐ Part B Only ☐ Both Part A and Part B	☐ Full- time employee ☐ Part-time employee ☐ Spouse
First Name		Last Name	Date of Birth (MO/DAY/YEAR)
HICN Number (Medicare Number)	Medicare Effective Date Group Health Plan Effective Date:	Medicare Coverage ☐ Part A Only ☐ Part B Only ☐ Both Part A and Part B	☐ Full- time employee ☐ Part-time employee ☐ Spouse

****This form should be left blank if the employer has 20 or more employees.**